

IN HONOR OF MS. JAMILA DEMBY,
NCAA WOMAN OF THE YEAR

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 17, 1999

Mr. OSE. Mr. Speaker, it is with great pride that I rise to acknowledge University of California Davis student, Jamila Demby, who was recently named NCAA Woman of the Year.

Ms. Demby, the first UC Davis athlete to earn this NCAA honor, was selected as a national finalist from among 50 state winners. Representing California, she was one of two Division II finalists.

It was a perfect ending to a perfect career at UC Davis. A seven-time All-American, Ms. Demby won eight conference championships in four years. During last year's California Collegiate Athletic Association championships, Ms. Demby established a new UC Davis 800-meter record of 2 minutes, 10.8 seconds. In addition, she ran the final leg of the 4x400 relay team, which set a UC Davis record of 3:45.33.

In addition to her athletic achievements, Ms. Demby has been active in student and community activities. In addition to serving as a UC Davis Aggie team captain and sitting on the student-athlete advisory committee, Ms. Demby finds time to regularly visit children at the Shriner's Hospital and tutor at local schools. In fact, her work with children has become such an influential experience that she changed her career path from advertising to serving underprivileged and underrepresented youth.

As NCAA Woman of the Year, Ms. Demby was chosen from a group of highly accomplished women. Ms. Demby will graduate from UC Davis this December with a degree in rhetoric and communications and will continue to give back to her community.

In closing, I would like to congratulate Ms. Demby for a job well done.

FEDERAL GOVERNMENT'S OBLIGATION TO THE STATE OF LOUISIANA

HON. CHRISTOPHER JOHN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 17, 1999

Mr. JOHN. Mr. Speaker, I rise today to introduce a bill with Mr. TAUZIN and the entire Louisiana congressional delegation that will bring closure to an issue that has lingered long enough concerning our home State of Louisiana. Mr. Speaker, the State of Louisiana and the Federal Government have a long history of working together to develop our abundant natural resources in a cooperative manner that protects our unique habitat and spurs economic development. I am pleased that we have been able to rectify our differences when they occur in order to reach sensible and judicious decisions that foster goodwill and the efficient use of our resource base.

Mr. Speaker, there remains before this House an obligation on the part of the Federal

Government to satisfy an authorization that was included in the Oil Pollution Act of 1990. This authorization was crafted to resolve a unique dispute between the State of Louisiana and the Federal Government over the development of the oil and gas resources on the Outer Continental Shelf. Unfortunately, this authorization has never been satisfied and my home state has lost literally millions of dollars as a result.

Today, I am joined by members from Louisiana, Texas, New York and Pennsylvania in introducing legislation directing the Minerals Management Service (MMS) to grant the State of Louisiana and its lessees a credit in the payment of Federal offshore royalties to satisfy the authorization contained within the Oil Pollution Act of 1990 for oil and gas drainage in the West Delta Field.

I will be brief with the history of this matter, but I feel compelled to clarify for all our colleagues why the language contained in OPA must be satisfied both out of concern for the treatment of the State and for the protection of our coastal environment.

In November of 1985, the State of Louisiana began to notify the MMS that a federal lessee was draining the West Delta Field at the expense of the State and its lessees. The Governor made this request based on the entire history of cooperative development agreements between the State and Federal government. The State sought to "unitize" the field by allocating the appropriate shares of the field's resources to each lessee. Unitization is standard practice in cases where multiple producers share common reservoirs. Much to the State's amazement, officials at MMS disagreed with the State and the entire Louisiana congressional delegation regarding the need and availability of relief for the State.

In order to bring some unbiased perspective to the debate, the Congress authorized an independent fact finder to review the situation and to determine if unauthorized drainage occurred and to what extent, if any, loss had been identified. In 1988, the Congress, in the Interior Appropriations Act for FY89, authorized the Secretary of the Interior to appoint an independent fact-finder to determine if Louisiana had been drained of its gas and oil reserves and, if so, the market value of those confiscated reserves.

That independent fact finder reported to Congress in 1989 that drainage had indeed occurred and quantified the resulting loss. At that point, the congressional delegation sought and obtained an authorization of appropriations for compensation that matched the determination of the fact finder. It is important to note that during the 4-year period of study, the federal lessee continued to drain the sacred reservoir and actually continued to drain the field until the Federal wells ceased producing in 1998.

Why is that important to note? Because the State is seeking compensation only for the drainage that can be empirically determined by the fact finder's report for those initial 4 years. All drainage that occurred for the next decade has basically been written off by my State although they would have every right to seek their share of those revenues siphoned by the Federal Government. In short, my State is knowingly leaving money on the table in order to make a good faith effort to resolve this issue.

In addition, we believe it is important to point out that satisfying this obligation in no way opens the doors to a myriad of similar demands on the Federal budget. From early on, the uniqueness of this situation was recognized when the Department of Interior wrote to then-Senator Johnston on September 19, 1991, that "To the best of our knowledge, the West Delta dispute is the only (emphasis added) situation in which the Department did not agree to unitization, or a similar joint development agreement on the Outer Continental Shelf when requested to do so by the Governor of a coastal State." To verify that this situation is unique, the State of Louisiana thoroughly reviewed its records and has confirmed that there are no other similar cases anywhere along the OCS boundary. In fact, in that same letter the Department wrote, "The Department agrees with your understanding that Section 6004 (c) of the Oil Pollution Act does not create a precedent for the payment of any funds to any parties other than the State of Louisiana and its lessees."

As for the environmental concerns raised by the Federal government's inappropriate actions, the record is clear. In OPA 90, the Congress specifically reiterated the harmful effects of "unrestrained competitive production on hydrocarbons from a common hydrocarbon-bearing geological area underlying the Federal and State boundary." The logic behind this language is simple. Why would we encourage the construction and operation of more oil and gas wells in U.S. waters than are necessary? If a field can be produced with one well, having two only doubles that chances of an accident. The concept is common sense and has been at the root of all Federal and State policies for decades. I see no reason to abandon that intelligent precedent now.

Mr. Speaker, after years of waiting, my State is interested in putting this issue behind us and moving on. What makes that statement so intriguing is that is the exact line the MMS stated in a letter to the dean of the Louisiana delegation over 9 years ago when they too wrote, "We are also very interested in putting this matter behind us."

Our legislation is simple. It will allow the State and its lessees to recover a portion of what was lost by the unauthorized development of the West Delta Field and will do so in the most benign of methods. The State and its lessees have proposed an alternative method for providing compensation by foregoing payment of federal royalties due by the lessee on other federal leases and distributing those withholdings to the State and lessee until the federal obligation is satisfied. Upon restitution, the lessee will resume their payments to the Federal Government. By withholding royalty payments and sharing those revenues proportionately between the State and its lessees we expect the Federal obligation will be satisfied within 2 to 3 years.

After more than a decade, it is time for the federal government to settle this outstanding obligation and, at the same time, protect the rights of my home State. In addition, we must reaffirm that this Congress does not support policies that may well create precedents that would needlessly and recklessly endanger our coastal environments.